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# **Citizens' Guide to the Budget**

## How to Read the Budget



The City of San Diego Fiscal Year 2000 Final Budget is presented in four volumes:

- Volume I – Citizens' Budget
- Volumes II and III – Department Detail
- Volume IV – Capital Improvements Program

## **VOLUME I – CITIZENS' BUDGET**

The Citizens' Budget contains:

- City Manager's Budget Message
- Policy Issues and Budgetary Themes
- Citizens' Guide to the Budget
- Final Budget Executive Summary
- City Operations and Services
- Glossary

### **City Manager's Budget Message**

The City Manager's Budget Message summarizes important aspects, themes, and priorities that are encompassed within the City's budget, including:

- Economic and Revenue Outlook
- Operating Expenditures
- Capital Improvements Program

### **Citizens' Guide to the Budget**

The Citizens' Guide to the Budget outlines:

- How to Read the Budget
- City Restructuring Changes
- The Allocation Process
- The Budget Process Timeline
- Definition of City Fund Types

# **Citizens' Guide to the Budget**

## **How to Read the Budget**

### **Final Budget Executive Summary**

The Final Budget Executive Summary contains general information about expenditures, revenues and positions, and provides the reader with a condensed version of the budget, including:

- Major General Fund Revenue
- Economic Indicators
- Budget Summary Schedules

### **City Operations and Services**

The City Operations and Services section contains:

- City Profile
- Basic Data, such as population demographics
- Programs Designed to Improve City Operations
- Benchmarking in the City of San Diego
- Citywide Programs and Achievements
- City Agencies

### **Policy Issues and Budgetary Themes**

The Policy Issues and Budgetary Themes section details the major themes underlying the development of the Fiscal Year 2000 Final Budget, including:

- Public Safety
- Street Maintenance
- Workers Compensation
- Libraries
- Deferred Maintenance
- "6 to 6" Extended School Day Program

### **Glossary**

The Glossary provides clarification of terms presented throughout the budget document.

## **VOLUMES II AND III – DEPARTMENT DETAIL**

The Department Detail contains budget information for each of the City's Business Centers, departments, funds and/or programs. The City of San Diego is organized into six Business Centers that appear alphabetically within these two volumes.

- Employee Relations and Special Projects
- Financial and Technical Services
- Fire and Life Safety Services
- Neighborhood Services, Planning and Development
- Police
- Public Works

Departments are presented within Business Centers. Departments that are not captured within a Business Center are located in Volume III under *Other Departments*. Division and/or major activity information is presented for each department.

The Department Detail page headers are color-coded to signify fund types as follows:

- Green Headers - General Fund departments, divisions or programs
- Blue Headers - Non-General Fund departments, divisions or programs
- Yellow Headers - Grant Funds

Department Detail contains the following sections:

- Mission Statement
- Organization Chart
- Source of Funds
- Allocation of Funds
- Department Summary
- Department Staffing
- Department Expenditures
- Expenditures by Category
- Revenue Generated
- Division Summary
- Division Staffing
- Division Expenditures
- Significant Budget Adjustments
- Performance Measures
- Description and Salary Schedule
- Revenue and Expense Statement
- Five-Year Revenue and Expenditure Forecast

# Citizens' Guide to the Budget

## How to Read the Budget

### Mission Statement

The Mission Statement, located at the beginning of each department, describes the Department charter. The following example is from the City of San Diego Library Department.



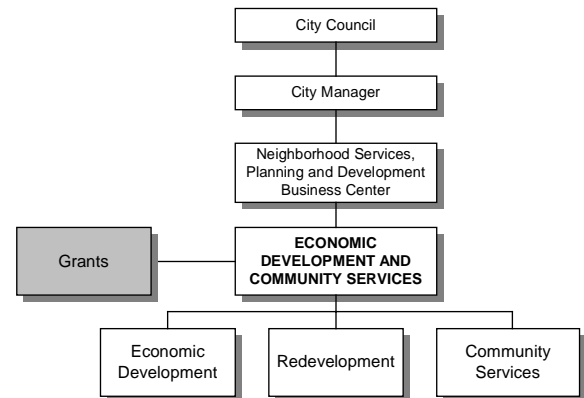
#### MISSION STATEMENT

Respond to the information needs of San Diego's diverse communities,  
Ensure equal access to local, national, and global resources,  
Anticipate and address the educational, cultural, business, and recreational interests of the public,  
Develop and provide welcoming environments

The "2000" logo used for this year's documents represents the City of San Diego, located on the Pacific Rim, and the exciting global opportunities in the coming millennium.

### Organization Chart

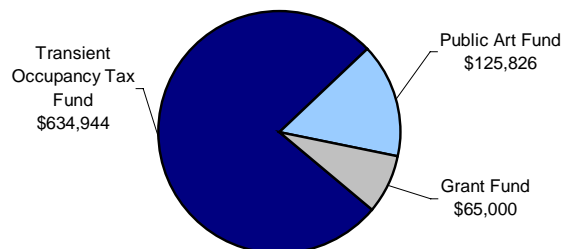
The relationships of the departments, divisions, programs, major activities, and funds within the City's structure are displayed in the Organization Charts for each Business Center and department. Shaded boxes signify Non-General Fund areas. The following example is from the Engineering and Capital Projects Department.



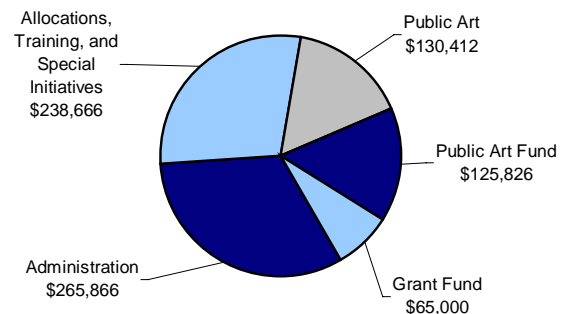
### Source of Funds and Allocation of Funds

The **SOURCE OF FUNDS** represents how a department budget is financed. The **ALLOCATION OF FUNDS** identifies how a department budget is distributed among divisions, programs, and/or major activities.

#### SOURCE OF FUNDS



#### ALLOCATION OF FUNDS



# Citizens' Guide to the Budget

## How to Read the Budget

### Department Summary

The Department Summary table displays comparisons of department positions and expenses for Fiscal Years 1998 - 2000.

DEPARTMENT SUMMARY			
	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
Positions	6.00	7.00	7.00
Personnel Expense	\$ 463,295	\$ 443,710	\$ 495,949
Non-Personnel Expense	223,045	249,151	264,821
TOTAL	\$ 686,340	\$ 692,861	\$ 760,770

### Department Staffing and Department Expenditures

Department positions and expenditures are displayed for each division, program, major activity, and/or fund for Fiscal Years 1998 – 2000

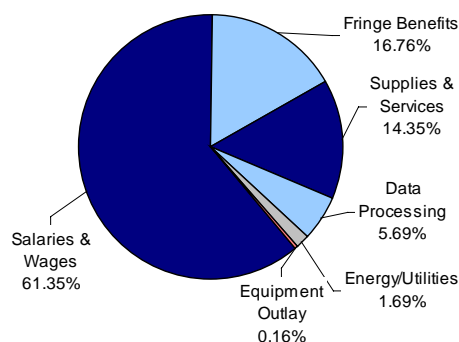
	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
<b>DEPARTMENT STAFFING</b>			
<b>TRANSIENT OCCUPANCY TAX FUND</b>			
Administration	2.10	2.10	2.10
Allocations, Training, and Special Init	1.90	2.90	2.90
Public Art	2.00	2.00	2.00
TOTAL	6.00	7.00	7.00
<b>DEPARTMENT EXPENDITURES</b>			
<b>TRANSIENT OCCUPANCY TAX FUND</b>			
Administration	\$ 397,625	\$ 222,062	\$ 265,866
Allocations, Training, and Special Init	82,332	224,534	238,666
Public Art	140,615	125,857	130,412
TOTAL	\$ 620,572	\$ 572,453	\$ 634,944
<b>PUBLIC ART FUND</b>			
Total Public Art Fund	\$ 65,769	\$ 120,408	\$ 125,826
<b>GRANT FUND</b>			
Total Grant Fund	\$ 200,000	\$ 157,500	\$ 65,000

### Expenditures by Category

Personnel and non-personnel expenses are displayed by fund and major category for Fiscal Years 1998 - 2000.

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
<b>PERSONNEL</b>			
Salaries & Wages	\$ 361,080	\$ 345,150	\$ 389,537
Fringe Benefits	102,216	98,560	106,412
SUBTOTAL PERSONNEL	\$ 463,296	\$ 443,710	\$ 495,949
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 121,752	\$ 90,993	\$ 91,101
Data Processing	24,938	26,013	36,156
Energy/Utilities	10,292	10,737	10,738
Equipment Outlay	294	1,000	1,000
SUBTOTAL NON-PERSONNEL	\$ 157,276	\$ 128,743	\$ 138,995
TOTAL	\$ 620,572	\$ 572,453	\$ 634,944

In addition, Fiscal Year 2000 budget expenditures by category are presented in a pie chart.



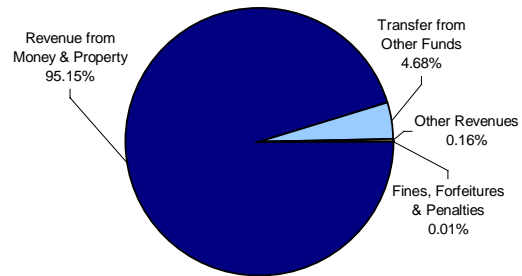
# Citizens' Guide to the Budget

## How to Read the Budget

### Revenue Generated

Department revenue is displayed by major category for three fiscal years. In addition, the breakdown for Fiscal Year 2000 budget is presented in a pie chart that outlines the percentage of revenue budgeted within each category.

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
Revenue from Money & Property	\$ 12,332,156	\$ 14,119,950	\$ 14,874,102
Transfer from Other Funds	4,262,350	700,000	731,500
Other Revenues	493,713	37,000	27,000
Fines, Forfeitures & Penalties	138	50	150
Other Local Taxes	600,000	-	-
Charges for Current Services	1,400	-	-
<b>TOTAL</b>	<b>\$ 17,689,757</b>	<b>\$ 14,857,000</b>	<b>\$ 15,632,752</b>



### Division Summary

The Division Summary table displays division positions and expenses for Fiscal Years 1998 - 2000.

DIVISION SUMMARY			
	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
Positions	14.00	14.00	14.00
Personnel Expense	\$ 930,601	\$ 940,651	\$ 979,323
Non-Personnel Expense	592,634	432,443	502,941
<b>TOTAL</b>	<b>\$ 1,523,235</b>	<b>\$ 1,373,094</b>	<b>\$ 1,482,264</b>

### Division Staffing and Division Expenditures

Division positions and expenditures are displayed by fund and major activity for Fiscal Years 1998 - 2000.

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 FINAL
<b>DIVISION STAFFING</b>			
Redevelopment	12.00	12.00	12.00
Management	2.00	2.00	2.00
<b>TOTAL</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>
<b>DIVISION EXPENDITURES</b>			
Redevelopment	\$ 1,380,227	\$ 1,224,285	\$ 1,328,316
Management	143,008	148,809	153,948
<b>TOTAL</b>	<b>\$ 1,523,235</b>	<b>\$ 1,373,094</b>	<b>\$ 1,482,264</b>

# Citizens' Guide to the Budget

## How to Read the Budget

### Significant Budget Adjustments

Budget enhancements and reductions of \$1,000 or greater between Fiscal Years 1999 and 2000 for programmatic and staffing changes are listed as Significant Budget Adjustments.

#### SIGNIFICANT BUDGET ADJUSTMENTS

	POSITIONS	COST
Personnel Expense Adjustments	0.00	\$268,000
Staffing for Street Maintenance Program	2.00	\$144,000
Motive equipment assignment and usage charges	0.00	\$100,000
Onetime expense	0.00	(\$50,000)

### Performance Measures

Key department activities are highlighted in the performance measures section for Fiscal Years 1998 - 2000 as follows:

- Output - measures the units produced or the services delivered by an activity
- Internal Outcome – a measure used by management to assess ongoing performance of the work unit
- External Outcome – measures the impact that services have on customers
- Efficiency – measures the relationship between the resources budgeted or expended for an activity and the output, usually expressed as cost per unit produced or service delivered.

	Output	Internal Outcome	External Outcome	Efficiency
	# of meters read	% of meters accurately read	% of customers reporting satisfaction	Average cost per meter read
Actual FY 1998	1,557,336	99.7%	80%	\$0.57
Budget FY 1999	1,600,000	99.7%	80%	\$0.66
Final FY 2000	1,540,000	99.7%	80%	\$0.60



# Citizens' Guide to the Budget

## How to Read the Budget

### Description and Salary Schedule

The Description and Salary Schedule includes a brief summary of the major activities within a department, division, program, or fund.

#### HEALTH, SAFETY AND TRAINING

This program provides the Metropolitan Wastewater Department with a level of safety audits, inspections, training, and commitment that will result in the elimination of Occupational Safety and Health Administration (OSHA) recordable accidents, injuries, near misses, and illnesses. This section also strives to modify employee behavior to work safely, both on and off the job.

The schedule displays the number of budgeted positions for Fiscal Years 1999 and 2000. The salaries and wages by job classification for Fiscal Year 2000 are also displayed.

CLASS NUMBER	POSITION TITLE	POSITION YEARS		SALARIES AND WAGES	
		FY 1999	FY 2000	CLASS	TOTAL
1348	Information Systems Analyst II	1.00	1.00	\$ 49,201	\$ 49,201
1526	Hazardous Materials Inspec. I	1.00	1.00	41,841	41,841
1535	Clerical Assistant II	1.00	1.00	27,904	27,904
1746	Word Processing Operator	1.00	1.00	29,380	29,380
1823	Safety Officer	2.00	2.00	52,867	105,735
1825	Safety Representative I	3.00	3.00	39,163	117,490
1826	Safety Representative II	3.00	3.00	45,987	137,961
1972	Safety & Training Mgr.	1.00	1.00	61,297	61,297
	Overtime Budgeted				6,299
	<b>TOTAL</b>	<b>13.00</b>	<b>13.00</b>	<b>\$</b>	<b>577,108</b>

### Revenue and Expense Statement

The Revenue and Expense Statement is a financial document that presents revenue, expense, reserve and fund balance information for Fiscal Years 1998 - 2000.

Note: General Fund departments do not have Revenue and Expense Statements.

	FY 1998 ACTUAL	FY 1999 ESTIMATED	FY 2000 FINAL
<b>BEGINNING BALANCE AND RESERVE</b>			
Prior Year Reserve for Encumbrances	\$ 90,201	\$ 144,840	\$ 170,000
<b>REVENUE</b>			
Transfer from Transient Occupancy Tax Fund	\$ 120,408	\$ 120,408	\$ 125,826
<b>TOTAL BALANCE AND REVENUE</b>	\$ 210,609	\$ 265,248	\$ 295,826
<b>EXPENSE</b>	\$ 65,769	\$ 95,248	\$ 125,826
<b>RESERVE</b>	\$ 144,840	\$ 170,000	\$ 170,000
<b>BALANCE</b>	\$ -	\$ -	\$ -
<b>TOTAL EXPENSE, RESERVE AND BALANCE</b>	\$ 210,609	\$ 265,248	\$ 295,826

# Citizens' Guide to the Budget

## How to Read the Budget

### Five-Year Revenue and Expenditure Forecast

The Five-Year Revenue and Expenditure Forecast displays the projected positions, expenditures, and revenue for Fiscal Years 2000 - 2004 with descriptions of the major requirements projected for Fiscal Years 2001 - 2004.

	<b>FY 2000 FINAL</b>	<b>FY 2001 FORECAST</b>	<b>FY 2002 FORECAST</b>	<b>FY 2003 FORECAST</b>	<b>FY 2004 FORECAST</b>
Positions	<b>7.00</b>	9.00	9.00	10.00	11.00
Personnel Expense	<b>\$ 495,949</b>	\$ 628,802	\$ 647,667	\$ 727,406	\$ 784,617
Non-Personnel Expense	<b>138,995</b>	161,687	196,537	211,695	227,306
<b>TOTAL EXPENDITURES</b>	<b>\$ 634,944</b>	\$ 790,489	\$ 844,204	\$ 939,101	\$ 1,011,923
<b>TOTAL REVENUE</b>	<b>\$ 634,944</b>	\$ 790,489	\$ 844,204	\$ 939,101	\$ 1,011,923

### FISCAL YEARS 2001 – 2004

No major requirements.

## VOLUME IV – CAPITAL IMPROVEMENTS PROGRAM (CIP)

The Capital Improvements Program (CIP) details all of the capital improvement projects by department throughout the City. Guidelines for reading the CIP Budget are included in the Volume IV Introduction section.

## GENERAL INFORMATION

### Budgeted Figures

In January 1998, the Financial Management Department began using a new automated budget system to prepare the City of San Diego Budget. The Financial Management Information System (FMIS) has the capability of reporting numbers to four decimal points; therefore totals are rounded. Consequently, an insignificant difference (+/- \$1.00) in the total dollar amount may be displayed in columnar data.

### Budgeted Positions

Budgeted positions are reflected throughout the budget document as full-time equivalent (FTE). For example, one full-time position is equal to 1.00 FTE; one half-time position is equal to 0.50 FTE.

### Performance Measures

The Performance Measures reported for Fiscal Year 1998 may differ from previously reported figures due to the reconciliation of Fiscal Year 1998 actual expenditures.

# Citizens' Guide to the Budget

## Restructuring

### CITY OF SAN DIEGO RESTRUCTURING

As reflected in the Fiscal Year 2000 Final Budget, the City has restructured to make the organization more in-line with the services provided. Outlined below are the major components and changes associated with this restructuring effort.

<b><i>Restructured Component</i></b>	<b><i>Fiscal Year 1999</i></b>	<b><i>Fiscal Year 2000</i></b>
✓ Development Services Department	Development Services Department/Development Services Business Center	Planning & Development Review Department/Neighborhood Services, Planning and Development Business Center
✓ Community and Neighborhood Services Business Center	Community and Neighborhood Services Business Center	Neighborhood Services, Planning and Development Business Center
✓ Long Range Planning Division	Community and Economic Development Department/Community and Neighborhood Services Business Center	Planning & Development Review Department/ Neighborhood Services, Planning and Development Business Center
✓ Facilities Financing Division	Community and Economic Development Department/Community and Neighborhood Services Business Center	Planning & Development Review Department/ Neighborhood Services, Planning and Development Business Center
✓ Neighborhood Code Compliance Department	Community and Economic Development Department/Community and Neighborhood Services Business Center	Police Business Center
✓ Arts and Culture Program	Arts and Culture Program/Community and Economic Development Department	Arts and Culture Program/Employee Relations and Special Projects Business Center
✓ Real Estate Assets Department	Real Estate Assets Department/Public Works Business Center	Real Estate Assets Department/Community and Neighborhood Services Business Center
✓ Information Technology and Communications Department	Information Technology and Communications Department/Financial and Technical Services Business Center	Information Technology and Communications Department
✓ Community and Economic Development Department	Community and Economic Development / Community and Neighborhood Services Business Center	Economic Development and Community Services Department/Neighborhood Services, Planning and Development Business Center

## **Citizens' Guide to the Budget Restructuring**

The restructured components have been reflected as follows:

- If partial programs were restructured, the restructuring is reflected as a transfer from one department to another and is noted on the Significant Budget Adjustments in the department detail.
- If entire programs were restructured, the budget history is reflected in the new department.

The Budget Summary Schedules in Volume I reflect the Business Centers and departments prior to restructuring for Fiscal Years 1998 and 1999, whereas the restructuring changes outlined previously are reflected for Fiscal Year 2000.

# Citizens' Guide to the Budget

## The Allocation Process



The City of San Diego is a chartered city and operates under the Council-Manager form of government. The City Council is comprised of eight members elected by district to serve overlapping four-year terms. The Mayor, who presides over the City Council, is elected at large to serve a four-year term. The City Council,

which acts as the City's legislative and policy-making body, selects the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council.

### ***Allocation Process***

The preparation of the City's annual budget, which is published by October, is the culmination of an annual budget process, which begins in the fall of the preceding year. Public input on service and program priorities is solicited in the winter through community budget forums held in many of San Diego's communities. This input serves as part of the Mayor and City Council's priority setting for the City Manager's development of the budget.

Based upon budget priorities provided by the Mayor and City Council, departments submit operating budget and Capital Improvements Program requests to the City Manager for review by the Financial Management. The City Manager reviews Citywide service level requirements, evaluates budget proposals developed by City departments, and determines the resources available to meet desired service levels. It is the City Manager's responsibility to submit a balanced budget to the Mayor and City Council in compliance with the City Charter.

The development of a balanced budget is achieved through a detailed review and prioritization of proposed expenses and a careful forecast of revenues. As a result of this process, a budget is developed which represents the City Manager's proposal to the Mayor and City Council. This proposed balanced budget is presented to the Mayor and City Council by their first meeting in May, per the City Charter.

Mayor and City Council review of the Proposed Budget is usually conducted in May and June. The first step of the budget review process is to provide citizens with an opportunity to give public comment and to voice their concerns and desires regarding services and the budget. After

public comment is received, the Mayor and City Council begin budget deliberations and focus on a review of the budget policy issues.

A schedule of City Council hearings is available from the City Clerk's Office in May. Citizens are encouraged to write or call the Mayor or their Councilmember, or to address the City Council in person at these hearings. The budget document is available for review in City public libraries, the City Clerk's Office and on the City's Web Site (<http://www.ci.san-diego.ca.us>).

The City Council holds two final public hearings in July before approving the final budget. The budget must be approved by a majority of the City Council no later than July 31. At the concluding hearing, the City Council approves the Annual Appropriation Ordinance adopting the budget. The Final Budget document is then prepared.

### ***Amendments to the Budget***

The Budget and Management Services Division of the Financial Management Department works closely with the City Auditor and Comptroller to monitor fund balances throughout the fiscal year. Fluctuations in revenues and expenditures may be mitigated in a number of ways, including expenditure reductions or deferrals.

In addition, during the fiscal year, circumstances may arise that result in the need to adjust spending priorities. The procedure for amending the budget depends upon the type of amendment that is required. If the amendment does not affect the total appropriation for a department, then the department director has the authority to reallocate funds. However, changes within specific accounts require approval from

# Citizens' Guide to the Budget

## The Allocation Process

Budget and Management Services, the City Manager, or the City Council if the amendment is to the adopted budget. The Annual Appropriation Ordinance also includes direction on the transfer of allocations during the fiscal year and the authority for such transfers.

### ***Proposition 4 (Gann Limit) Appropriation***

Pursuant to Article XIII B of the California Constitution (known as the Gann Limit), the City must compute an annual appropriations limit which places a ceiling on the total amount of tax revenues the City can actually appropriate annually. The limit is adjusted each year using the following factors: (1) the percentage change in California Per Capita Income or the change in the City's Assessed Valuation due to new non-residential construction, whichever is greater and (2) the percentage change in the Citywide or Countywide population, whichever is greater.

The City's appropriations limit for Fiscal Year 2000 was established at \$512,052,218. The City's Fiscal Year 2000 appropriations limit was calculated without the \$50 million waiver adjustment which had been approved by voters in November 1994 and expired at the end of Fiscal Year 1999. Without the waiver, it is estimated that the City will be under the Gann Limit by approximately \$41 million.

### ***Accounting Policies and Basis of Budgeting***

#### *Significant Policies and Practices*

The City's budgetary policies conform to Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The City's Governmental Funds and Expendable Trust and Agency Funds use the modified accrual basis. Governmental Fund Types are those through which most governmental functions of the City are financed and include the General Fund, Special Revenue Funds, Debt

Service Funds and Capital Project Funds.

Expendable Trust and Agency Funds are of the Fiduciary Fund type used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Under the modified accrual basis, revenues are recorded when both available and measurable. Certain fines and forfeitures, however, are recorded when received, as they are not susceptible to accrual. Expenditures are recognized when the related liability is incurred, except for (1) principal of and interest on general long-term debt which are recognized when due; and (2) employee annual leave and claims and judgments for litigation and self-insurance which are recorded in the period due and payable

Proprietary Funds, Pension Trust, and Non-expendable Trust Funds use the accrual basis. Proprietary Fund types include the City's Enterprise and Internal Service Funds. Under the accrual basis, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

#### *Encumbrances*

The City budget is prepared on the modified accrual basis of accounting except that (1) encumbrances outstanding at year-end are considered as expenditures and (2) the increase/decrease in reserve for advances and deposits to other funds and agencies are considered as additions/deductions of expenditures. Encumbrances outstanding for the City of San Diego at year-end are reported as reservations of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

#### *Budgetary Control*

Budgetary control for the City's General Fund is exercised at the salaries and wages and non-personnel expense level. Budgetary control for

# Citizens' Guide to the Budget

## The Allocation Process

other budgeted funds is maintained at the total fund appropriation level.

The City's financial statement called the Comprehensive Annual Financial Report (CAFR), is prepared in conformity with GAAP for governmental entities, which are audited by an independent certified public accounting firm. The annual financial report is generally available about six months after the June 30 close of each fiscal year. The City's most recent general purpose financial statements for Fiscal Year 1999 were audited by the accounting firm, Calderon, Jaham & Osborn, and are available for public review at the City Clerk's Office and on the City's Web Site (<http://www.ci.san-diego.ca.us>).



# Citizens' Guide to the Budget

## Budget Process Timeline

The following schedule outlines the major dates and tasks involved in preparing the annual budget. The budget calendar overlaps fiscal years and the steps listed below cover one complete budget cycle.

### ***September***

The Financial Management Department's Budget and Management Services Division develops the guidelines and schedule for the budget preparation process.

### ***October through December***

Budget and Management Services distributes the City Manager's budget policy guidelines to departments instructing them on preparing their base budget.

Departments submit their base budget requests via on-line FMIS for review by Budget and Management Services. The departmental base budgets reflect current levels of services that have been adjusted for uncontrollable or allowable increases or decreases, i.e. salary adjustments, energy, utilities or existing contractual services. Base budgets may also reflect a reallocation of resources within departmental budgets based upon historical information.

Special Promotional Programs and Community Development Block Grant applications are made available and submitted by interested organizations.

### ***December through March***

The City Manager presents the initial budget status report to the Mayor and City Council and requests budget priorities and policy direction for the upcoming fiscal year.

The City Council hosts Community Budget Forums to obtain citizen input on services and develop priorities for the City Manager's budget development.

Departments submit further budget requests based upon: (1) clear and refined objectives that reflect operations at the highest possible

level of economy and efficiency, and (2) budget priorities provided by the Mayor and City Council. Several Executive Team Meetings are held to conduct high level budget policy issue discussions and make budget decisions based upon the Citywide priorities. Those who attend each Executive Team Meeting include: the City Manager, Assistant City Manager, Deputy City Managers, Financial Management Director and Deputy Budget Director.

In March, the City Manager recommends a program of projects to be funded by Community Development Block Grant funds. A public hearing is held to review the program. Recommendations for funding are presented to the City Council for consideration.

### ***April***

The Proposed Budget is finalized and Budget and Management Services prepares the Proposed Budget Document.

### ***May***

The City Manager submits the Proposed Budget to the Mayor and City Council at the first City Council meeting in May, per the City Charter, and files a copy with the City Clerk's Office.

City Agency budgets are received and reviewed by Budget and Management Services.

### ***June***

The City Council conducts budget meetings to review the proposed budget. Public comment is received at this time, with the balance of the meetings conducted as City Council workshops focusing on policy issues.

City Agency budget proposals are also presented to the City Council in June.



# Citizens' Guide to the Budget

## Budget Process Timeline

### ***July***

The City Council adopts the Annual Budget no later than the last City Council meeting in July. This gives City officials the legal authority by the City Council to expend resources.

The adoption of the Appropriation Ordinance requires two noticed public hearings, usually held on consecutive days.

### ***August***

The City Council adopts the Annual Tax Rate Ordinance no later than the last City Council meeting in August.

### ***September***

Budget and Management Services prepares the Final Document.

### ***October***

The Final Budget is printed and distributed.

# Citizens' Guide to the Budget

## City Funds

The City's budget is financed by the use of different funds. A fund can be thought of as a separate bank account for specific purposes. The **General Fund** is the City's main operating fund used to pay for basic City services such as public safety (police, fire, and lifeguard services), street maintenance, refuse collection, parks and recreation, and libraries. These activities mostly utilize tax dollars, such as Property Tax and Sales Tax, but are also supported by fees from licenses and permits, fines, and investment earnings.

Other types of funds are as follows:

### ***Enterprise Funds***

These funds account for specific services funded directly by fees and charges to users. Enterprise Funds include the Water and Sewer Funds, Planning and Development Review, and some services provided by Environmental Services. The intent is that these funds are to be completely self-supporting and are not subsidized by any general revenue or taxes.

### ***Capital Improvement Funds***

A capital improvement is generally a large construction project such as the development of parkland, the construction of a sewer pump plant, the installation of a traffic signal, or the construction or remodeling of a City facility. Monies to support these projects are derived from water and sewer fees, a 1/2-cent local sales tax for transportation improvements, developer impact fees, grant funds, and/or the issuance of bonds or commercial paper for very large projects.

### ***Internal Service Funds***

These funds are created to finance and account for a particular department or division's services to other City departments. The fund's expenses are repaid from fees or fund transfers, thus keeping the original fund capital intact. Central Stores, Print Shop, and Equipment Division are examples of internal service funds.

### ***Special Revenue Funds***

These funds account for revenues received that have specific purposes for which they can be used. The City has a number of Special Revenue Funds, including the Gas Tax, Environmental

Growth, Public Art, TransNet, and Transient Occupancy Tax Funds.

### ***Debt Service Funds***

These funds are used for the payment of principal and interest on an obligation resulting from the issuance of bonds, for example the Bond Interest and Redemption Fund and are used to finance the cost of capital improvements.

### ***Tax Funds***

These funds contain monies that are borrowed from the sale of Tax Anticipation Notes (TANS) on a short-term basis to meet the cash requirements of the City prior to the receipt of property taxes. Related costs are budgeted in the fund and are offset by interest earnings realized.

### ***Business Improvement District Funds***

Business improvement districts are established by City Ordinance. Special assessments are levied upon business owners within a district with specifically defined boundaries. These assessments finance improvements within the district such as providing additional parking spaces for visitors to the district, making shopping areas more aesthetically pleasing, and scheduling recreational activities which promote the district.

### ***Maintenance Assessment District Funds***

Property owners within a specified district are assessed for the purpose of financing maintenance of open space areas, street medians, rights-of-way, and in some cases, mini-parks and street lights.